

## RESILIENT REALISM: “THE DRAMATICALLY CHANGING OFFICE?”

### LINKCO

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This summary of the Resilient Realism Webinar is authored by LINKCO. With twenty plus years of broad executive business experience, LINKCO is well situated to reach out to leaders. The webinar for this Summary took place on August 26th, 2020 with Chris Maese, the Los Angeles Managing Partner, Mohr Partners. Chris discussed changing Office realities. B2B and B2C evolution and it’s impacts on commercial and industrial RE decisions.

Based in Southern California, LINKCO is an Executive Search and Consultancy serving top Middle Market CXO and upper management clients and candidates throughout the USA.



Commercial and Industrial Real Estate Clients/investors are pressed to prioritize what will help them optimize efficiencies and cost savings. The Pandemic has caused significant uncertainty and major work disruptions and challenges. While early COVID19 trends forced many businesses to require employees to stay at home, lately this has been moving towards hybrid home/office plans.

On the upside, companies are taking advantage of the uncertainty and investing in expanding their corporate footprint. Some of the strategies Mr. Maese is advising his clients to consider include these workplace strategies:

- ❖ Focus on the safety and satisfaction of employees. This includes more space per person, access to fresh air and sunlight, improved HVAC systems.
- ❖ Workplace density, consider “de-densifying” workplace. Example of a major high tech company “doubling down” on expanding and increasing SF per person.
- ❖ Flexible arrangements between office and home.
- ❖ Hybrid work day and splitting shifts so density at any one time is reduced.
- ❖ Reconsider open floor plans, which in spite of expectations did not engender more collaboration, in favor of small offices, flexible and protected spaces for meetings, and “phone booths”.

The leasing market, and using the Los Angeles area as an example, in the short term there is some downturn and significant sublease vacancies (almost 1 million SF in “Silicon Beach”) currently. Other markets, like Beverly Hills, DTLA, Culver City are not seeing significant changes in traditional tenanted office buildings. The now popular shorter lease terms will eventually allow for market corrections when the lease terms end and the economy recovers. Longer lease -terms will resume at that point.

There is significant downturn in traditional retail and the reverse is true for Logistics landlords and properties which are up by 35%. The Logistics Landlords are the current winners as the B2B and B2C evolutions evolve for both Commercial and Industrial Real Estate.

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Contact LINKCO to learn more about the challenges and opportunities highlighted in the White Paper. Let us help you build a more resilient workforce ready for the future.

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